

S/047/0083

## SITE INSPECTION ML 47280

Date: May 31, 2006

Time: 2:30- 3:30

Persons Present: William Stokes, SITLA

Lease #: O,G & H, ML 47280

DOGM # M/047/083

DOGM Reclamation Bond: \$18,600.00

Lands Inspected: SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  and S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 32, T.5S., R.22E.,  
SLB&M Uintah County

Within the first proposed mine site, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  two drill holes were observed. Tar sand deposits crop out within this site. The entire area is a maze of roads as it appears to be a popular off-road recreation area. Both the drill holes observed in this area are drilled on lands that are already impacted by off-road vehicle use. The first drill hole inspected was covered with a piece of plywood which was then covered with drill cuttings. The depth of this hole could not be determined as it appears that the hole had collapsed near the surface. The second drill hole observed in this area was covered in a similar manner. No depth estimate was made on the second drill hole.

With in the S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  one drill hole was observed. This drill hole was covered in the same manner as previously mentioned and was estimated to be approximately 50 to 75 feet deep. All the drill holes observed appear to have been drilled using an 8 to 10 inch rotary-air drill rig as evidence by the diameter of the hole and the cuttings around the drill holes. Drill hole depth was estimated by dropping a stone down the drill hole and observing the time it took to hit the bottom of the hole. GPS- UTM coordinates were taken for the drill hole locations identified in this report.

Approval of reclamation surety and approval to drill was issued by DOGM via letter dated May 25, 2006. There are several captioned photographs accompanying this report showing various features observed during the site inspection.

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ML 47280 - 5-31-06, Looking south onto a drill hole at UTM coordinates N 4466564.24, E 629267.78. This hole is in a area with numerous roads that is apparently used as an off-road recreation area.



ML 47280 - 5-31-06, Second drill hole found south east of the drill hole shown in the previous picture. UTM coordinates for this hole are: N 4466547.53, E 629368.56.





ML 47280 – 5-31-06, Typical survey marker found near the drill hole depicted in the previous picture. Similar survey markers were observed on other lease held by Black Sands Holding Co.



ML 47280 – 5-31-06, A third drill hole found southeast of the other drill holes. The UTM coordinates for this hole are N 4466174.06, E 630335.07.